



City of Seat Pleasant

Director of Economic Development

A SMART CITY OF EXCELLENCE

“Seat Pleasant offers Smart City Services that are better, faster and personalized making it a City for Me using information and communication technology, with the internet of things”

Department Name Economic Development

Date of Report September 11, 2017

Reporting Period July - August 2017

Summarize significant department progress for the reporting period that is indicative of providing services that are better, faster and personalized.

The Director, serving as the Compliance Officer for the USDA Smart City Project renovations of City Hall and Public Works Building, coordinated the continued submission of documents to the USDA Loan Program representative and discussed the status of the review of the City's design drawings. The Smart City project is moving forward. The due date for bids for a General Contractor is September 15, 2017. The Department was given the authorization to proceed with the advertisement of the bid. The bond counsel, Lindsey Rader, and our financial advisors, have completed the interim financing process by recommending BB&T as our banking partner.

The Department participated all hands on deck with the very successful event of Kevin Durant Day. The idea occurred from that day, and our previous Investor Days, to create the first ever Seat Pleasant Minority Business Day. The purpose of this event is to bring together young, “minority”, small business owners in Seat Pleasant and the surrounding areas. Our intention is to connect them with the agencies that can both assist them with obtaining minority business certification and the awarding of contracts for such businesses. Hosting this event at our local Fire Station, on Thursday, September 28, 2017 from 10 AM to 2 PM, should generate buzz around the region that Seat Pleasant is open for small and “minority” businesses to thrive.

Ms. Rhoda and her department won their first grant for \$10,000 from Kaiser Permanente Community Initiative for the Seat Pleasant Smart Health Hypertension Initiative. The team is to be commended for their efforts. The purpose of this grant is to reduce hypertension in residents and citizens in Seat Pleasant. We expect that this partnership will be fruitful in reducing healthcare costs for residents and improving their quality of life.

The Department has been building solid relationships with non-profit financial institutions for partnerships on our Revolving Loan Fund. WACIF (Washington Area Community Investment Fund) and City First Enterprises have asked us to establish Memorandums of Understanding (MOU) to provide participatory funding in various

forms to assist Seat Pleasant businesses and residents who are seeking to start their own businesses. The City would save money tremendously by utilizing other organizations' money to accomplish our objectives.

The Department has been researching the availability of vacant housing stock to begin purchasing through the protocols of the Housing Trust Fund. The goal is to purchase, renovate and sell eligible properties within the City to eliminate blight and restore non-performing assets, such as property taxes, back to the City. The funds made through the sale of the properties will be returned to the Fund to continue the process of purchasing properties. The Department has engaged a realty company, Keller Williams, in Prince George's County and has made 3 solid offers for various properties throughout the City. This was due to our independently inability to negotiate contracts and offers. This is characteristic of a community that will soon have a tremendous spike in property values, which increases the need for the Department to act swiftly and diligently toward acquiring appropriate properties.

The Department has been working closely with Public Engagement on the development of the Seat Pleasant Smart Buy program. The Departments have met with representatives from the Maryland DHCD, Wells Fargo, and M&T Banks, to secure financing options to place minorities, low to moderate income persons, and millennials into houses secured and sold by the City. Multiple meetings have been held regarding this topic and the State of Maryland has agreed to market and promote the Seat Pleasant program across the country. The State has even sent inspection teams to tour the City's vacant homes to establish the viability of purchasing houses through our programs.

The Department is conducting a feasibility study on the application of Smart City technology as well as the capacity of the City to build its Innovation Village. This project is conducted by the Mount Royal Community Development Corporation. The Director had commissioned Polish'd Creative to produce a video on the economic development efforts of the City and the proposed effect of the Seat Pleasant Housing Trust Fund and Revolving Loan Fund. The project is near completion.

The Director attended the training for the National Development Council's Economic Development Finance Professional Certification ED 202 course during the last week in July and found out that he passed the course on June 12, 2017. Because the Director successfully passed this training, it qualifies the Director to continue taking the remaining training session, which will occur in December. The Director is scheduled to participate in the next course, which is ED300 – The Art of Deal Structuring, on December 4, 2017 to December 8, 2017. This course will assist the ED Department with managing the \$1.5 Million for the Housing Trust Fund and Revolving Loan Fund.

Analyze department improvements that are needed and/or achieved based on the Smart City model.

The major improvement needed in the department was personnel. This problem was solved by the Mayor and City Council in fiscal year 2018 to include personnel additions to the Department. The Economic Development Department has hired a new Administrative assistant, Mr. Sean Michael Wilson. His first day was September 5, 2017. He was the best qualified applicant after 10 rigorous interviews. So far, he has been a great aide for our Department.

Regarding the Grants Writing Consultant position, the Department has secured the voluntary services of a seasoned attorney who has agreed to write grants for the City as a learning experience. She recently passed Montgomery Community College's Grants Writing Program and is willing to bring the skills learned in this class in a volunteer capacity with the City.

Indicate problems identified, barriers encountered and solutions reached.

The major problem and barrier was the lack of resources in the Department. We declined to renew the previous grants manager's contract and hired a Grants Manager (Ms. Rhoda). The Department has proposed adding on more consultants to assist her in creating a Grants Management Division under the supervision of the Department in the next fiscal year. The Mayor and Council also solved this issue with the budget for 2018. The Department has already secured the assistance of a volunteer grants writer who is interested in continuing her role within the Department.

Identify goals for the next reporting period.

The Department's primary goal for the next reporting period is to purchase and renovate at least two properties per month within the City through the Housing Trust Fund and Revolving Loan Fund. The Department intends to maximize the profitability of the fund to not only benefit the City financially in developing its portfolio, but to create 50 quality FTE jobs over the next five (5) years.

Another goal is to improve the timeline for the Smart City redevelopment project for City Hall and the Public Works facility by 30%. This percentage is higher than last month's projection as the USDA has stated that the process should move more smoothly since the "hard part" has been completed.

As the Compliance Officer, we believe the current process is not moving at a speed to accomplish the Mayor's goal of having this project complete in late summer/early fall of 2018. We have stayed in consistent communication with the staff who are administering the Loan program for the USDA and we have been recognized for providing requested documentation with a "quick turnaround" time.

The Department has established a goal of achieving an 236% increase in the number of grants awarded to the City by going after more grants through the Grants Management office with additional persons and resources. This office is now under the purview of the Economic Development Department. At this current juncture, we have been awarded \$10,000 since June 2017. We would like to raise that number to \$525,000 or approximately 10% of the City budget. We are also seeking to go after twice as many than we currently go after.

The Department is seeking to meet with at least 10 potential Seat Pleasant business owners and citizens to introduce them the Housing Trust Fund and Revolving Loan Fund. We have already completed that goal already. We have educated and helped to encourage at least 3 residents to increase their ability to grow and mature their businesses.

Supporting Documentation: Source: Office of the City Treasurer

Revenue

Line Item **6-5100 – 6-6602**

| FY2017 Budget (Previous Year) | FY 2018 Budget (Current Year) | FY 2018 Actual (Current Year) |
|-------------------------------|-------------------------------|-------------------------------|
| \$70,000.00 | N/A | \$0.00 |

Expenditures

Offers 1.1 to 1.7

| FY2017 Budget (Previous Year) | FY 2017 Budget (Current Year) | FY 2018 Actual (Current Year) |
|-------------------------------|-------------------------------|-------------------------------|
| \$70,000.00 | N/A | N/A |

Attachments: Finance Report for Economic Development